



Employer Survey 2007

Insure Oklahoma
Oklahoma Health Care Authority
Employer Survey 2007
April 9, 2008

Executive Summary

Measuring the impact of a state-funded program is vital to measuring success. When it comes to our tax dollars and a crunched state budget, it is necessary to report and evaluate the many aspects of new programs. The purpose of the employer survey was exactly that- a reporting and evaluating tool for Insure Oklahoma. The Insure Oklahoma department sent 1,135 surveys to participating employers in September 2007. Eighty-eight percent of the employers returned their surveys. Employers who responded to the survey reported an overall 49 percent increase in the number of insured employees and spouses. The same employers reported an increase of 2,669 employees/spouses enrolled in an employer sponsored health insurance plan. Using manually pulled system-driven data between September 2006 and September 2007, Insure Oklahoma provided 980 employers with subsidies for 3,204 employees and spouses. Using the Oklahoma Health Care Authority's published enrollment data, as of September 2007, Insure Oklahoma had 1,218 employers and 3,185 employees/spouses enrolled in the Employer Sponsored Insurance (ESI) program. In comparing the three various sources, we can begin researching the differences and drawing conclusions from many different angles. Using the system-driven data, Insure Oklahoma has paid out more than \$5.2 million to the subsidized employers, contributing more than \$3.6 million to employees and \$1.2 million to employee spouses. While Insure Oklahoma is new and evolving, the buzz created by this unique program, the health benefits distributed to employers and employees across the state, and the millions of state and federal dollars that help thousands of hard working Oklahomans will paint a new picture across the state of Oklahoma- the Insure Oklahoma picture.

Background

Today, the United States of America is home to 47 million uninsured Americans, a number that is twice the population of Australia (Kaiser Foundation). According to the United States Census Bureau's Current Population Survey (CPS), the state of Oklahoma is home to 661,499 of those uninsured Americans. Statistically, 47 million uninsured Americans make up between 15 percent and 16 percent of the total population. If you consider that the U.S. Census shows Oklahoma's population at more than 3.5 million, having 661,499 uninsured Oklahomans paints a stark picture. Uninsured Oklahomans make up between 17 percent and 20 percent of the total population in Oklahoma, ranking it in one of the top states with the highest percentage of uninsured (OU College of Public Health). What can be done to help this scenario? What can the state of Oklahoma do to combat the problem? Insure Oklahoma.

Insure Oklahoma, also known as O-EPIC or the Oklahoma Employer and Employee Partnership for Insurance Coverage, was originally implemented in late 2005. A continually evolving program operated by the Oklahoma Health Care Authority, Insure Oklahoma gives low to moderate income, working Oklahomans more access to health care. As Insure Oklahoma evolves, the program strives to reach more of the uninsured population. While Insure Oklahoma offers a program (Individual Plan) for self-employed individuals or those who do not have access to the employer-sponsored insurance plan (ESI), this report focuses only on the ESI strategy. The ESI program subsidizes Oklahoma employers for qualifying employees, meaning that the state of Oklahoma will help the employer pay for commercial health insurance using state tobacco tax revenues. Insure Oklahoma may only be the first step in helping working Oklahomans gain access to health care, but it certainly is a start.

Introduction

Insure Oklahoma is required to report certain numbers on a federal level. In doing so, Insure Oklahoma doesn't just want to report cold results. We want to take these numbers, interpret them, compare them, research them, and make them meaningful. To assist with this project, we designed the Employer Survey 2007 (Appendix A). In this simple two page survey, we looked at two very important aspects in reporting: lives covered and insurance costs.

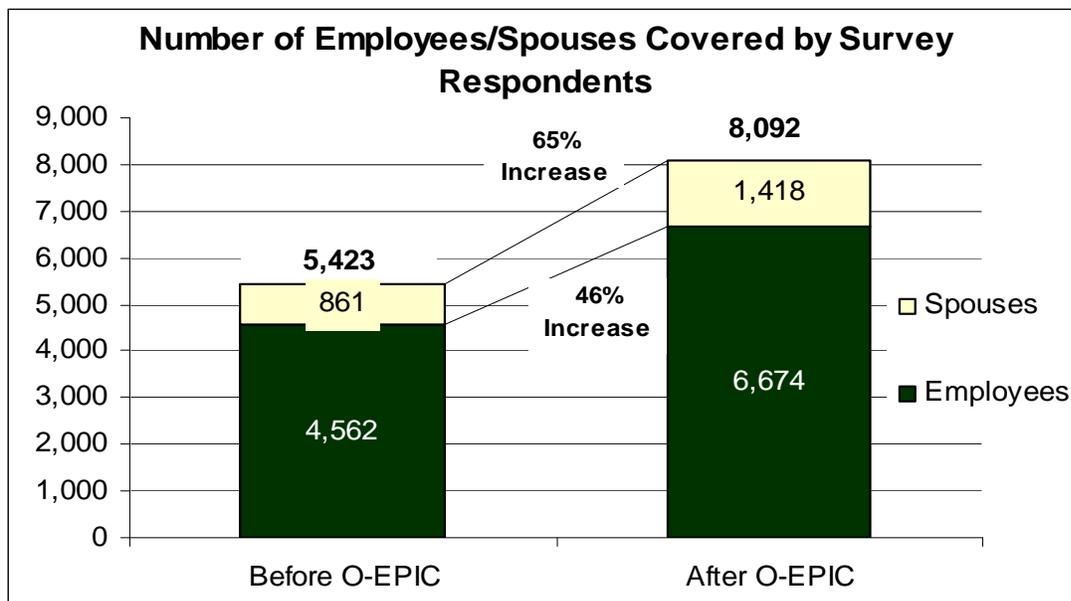
On September 27, 2007, Insure Oklahoma sent 1,135 surveys to participating employers enrolled in the ESI program. Along with providing basic employer information, questions included, "How much was spent by the business on health insurance coverage for employees on the most recently filed tax return?" "How many employees and spouses were previously covered by your employer sponsored insurance before enrolling in O-EPIC?" and "How many employees and spouses are currently covered by your employer sponsored insurance?"

Of the 1,135 surveys sent out, 949 surveys were received by mail, 57 surveys were obtained via telephone or e-mail, and 129 employers were found to be inactive (no longer covering any employees). All results in this report are based on the 1,006 employers from which Insure Oklahoma received data. With more than 88 percent of the participating employers completing and returning their surveys, the following results attempt to represent the impact that Insure Oklahoma is having across the state.

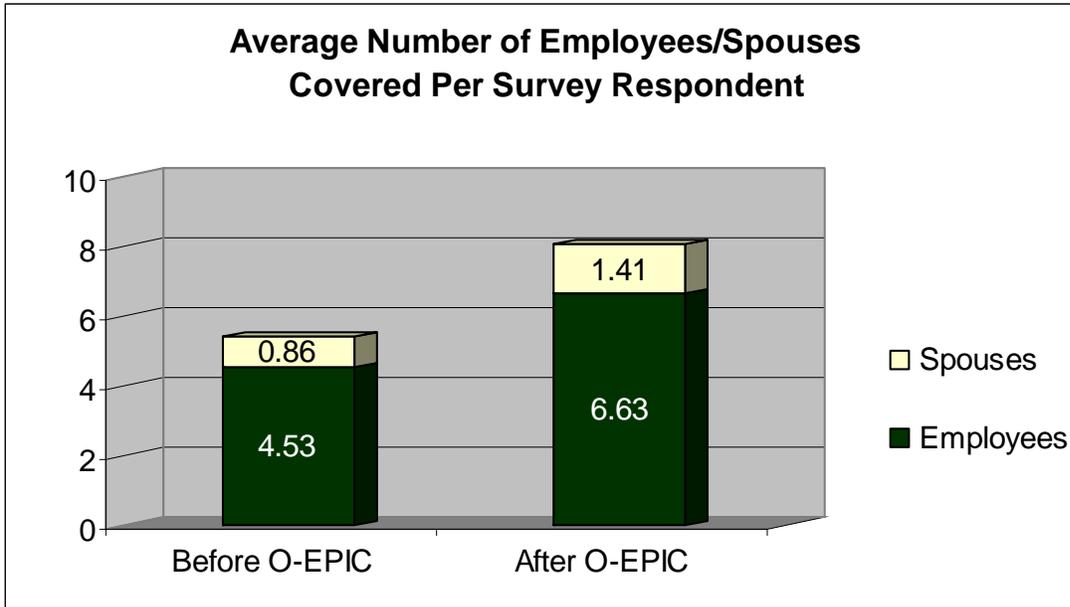
Results

Employee/Spouse Enrollment

Based on enrollment numbers reported by participating employers who responded to the survey, the following graphs depict the number of employees and their spouses covered by these employers' health insurance plans before and after enrolling in Insure Oklahoma.

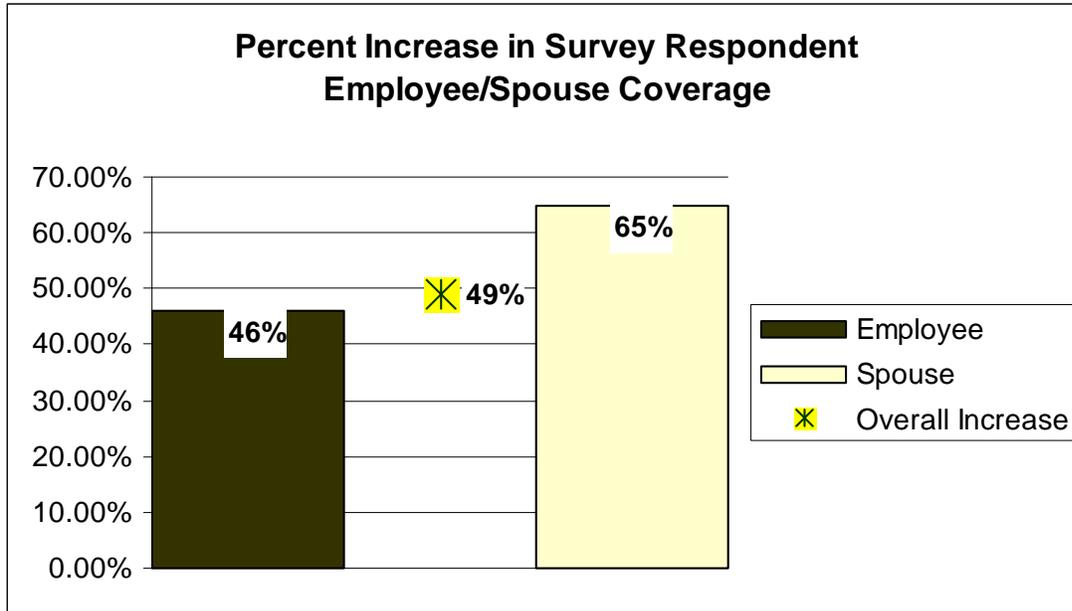


The surveys also reveal the average number (per employer) of employees and their spouses covered by employers' health insurance plans before and after enrolling in Insure Oklahoma. Before enrolling, participating employers reported covering, on average, 4-5 employees and one spouse. After enrolling, participating employers reported covering, on average, 6-7 employees and 1-2 spouses. That represents a 2-3 person increase per employer.



Employers who responded to the survey reported that the number of employees covered by their health insurance plans increased from 4,562 to 6,674, while the number of spouses covered increased from 861 to 1,418. Overall, employees/spouses covered by employers' health insurance plans increased from 5,423 to 8,092 after enrolling in Insure Oklahoma. Based on the employers who responded, that represents an overall 49 percent increase in the number of insured Oklahomans working for participating employers.

Now that we know what the employers reported on the survey, let's look at the information from different angles. Using manually pulled system-driven data between September 2006 and September 2007, Insure Oklahoma provided 980 employers with subsidies which subsidized 3,204 employees and spouses. Using the Oklahoma Health Care Authority's published enrollment data, as of September 2007, Insure Oklahoma had 1,218 employers and 3,185 employees/spouses enrolled in the ESI program. In comparing the three various sources, we can begin researching the differences and drawing conclusions.



Annual Insurance Premiums

According to the Kaiser Foundation, premiums for employer-sponsored health insurance rose 7.7 percent last year. The annual premium for a family of four is \$11,500 and \$4,200 for individuals. The United States spends \$2 trillion each year, or 16 percent of Gross Domestic Product (GDP), on health care. At the continued rate of increase, the US will spend \$4 trillion each year, or 20 percent of GDP, by the year 2015. The United States ranks number one in health care spending among industrialized countries. Compare that with Canada, which spends only 9 percent of its GDP on health care; Switzerland, which spends 11 percent; Germany, which spends 10 percent; and France, which spends 9 percent. As early as 2008, health insurance costs will begin to eat away at business profits and employers will be forced to forfeit health insurance benefits to their employees (Borger).

Small businesses or employers saw their premiums increase 9 percent compared to last year. Employers with less than 24 employees saw their premiums increase 11 percent. Since the year 2000, employer premiums have increased 87 percent, while inflation increased only 18 percent and employee wage growth increased only 20 percent (Kaiser Foundation). Health

insurance costs have been declared the fastest growing cost component for employers nationwide (McKinsey). These costs are directly shared with employees. Since the year 2000, employee contributions to their own health insurance plans have increased 143 percent (Hewitt). National surveys show that the primary reason employees are quickly joining the ranks of the uninsured is the monumental cost of health insurance coverage (Kaiser Foundation).

Let's look at what Oklahoma participating employers are spending on their health insurance coverage. Questions such as, "How much money is the average participating employer spending on health insurance?" "How much of that money funds each individual health insurance plan?" and "How is Insure Oklahoma helping with the cost of health insurance?" come to mind.

Based on data reported by employers who responded to the survey, health insurance costs are absorbing more than \$22.7 million. That means each participating employer is spending on average, \$22,595.70 annually on health insurance coverage for their employees, and these costs are continuing to increase. With participating employers covering more than 8,000 individuals, it costs the employer more than \$2,800 to provide health insurance for each employee or spouse. These figures don't include how much of the health insurance costs are passed on to employees.

We know how much employers reported they are spending, but how is Insure Oklahoma helping? Using the system-driven data between September 2006 and September 2007, Insure Oklahoma has paid out more than \$5.2 million to the subsidized 980 employers for the 3,204 employees/spouses—contributing more than \$3.6 million to employees and \$1.2 million to employee spouses. That represents \$5,300 per employer and \$1,600 per employee/spouse.

According to the Kaiser Foundation, two of every five small businesses (10 employees or less) do not offer health insurance at all. One of every five require their employees to fully fund their own health insurance plan, and two of every five small businesses require their employees

to pay 61 percent more for their health insurance coverage than employees at larger employers (Kaiser Foundation). It's clear that when addressing the issue of health insurance costs, Oklahoma employers and employees are feeling the pinch.

Limitations & Conclusion

These survey results indicate that many employers, employees, and their spouses benefit and will continue to benefit from Insure Oklahoma. As the results indicate, the program shows promising growth, and the Oklahoma Health Care Authority expects that its continued success will ensure that many more Oklahomans will have access to health care. As with any measurement of research or survey, there are always limitations to the results found. With an 88 percent response rate to this survey, it is assumed that these results generalize the average participating employer at a given point in time. This means that while some employers may have different numbers and statistics, this research report attempts to generalize an average employer, or take a snapshot in time. As the program continues to operate, Insure Oklahoma will continue to research, monitor, and report findings of the like. It is clear that while Insure Oklahoma is new and evolving, the buzz created by this unique program, the health benefits distributed to employers and employees across the state, and the millions of state and federal dollars that help thousands of hard working Oklahomans will paint a new picture across the state of Oklahoma- the Insure Oklahoma picture.

Works Cited

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September 26, 2008

Thank you for participating in O-EPIC.

Each year the Oklahoma Health Care Authority is required to report to the Federal Government how much our participating employers pay for group health insurance coverage.

Please answer the following questions and return the survey to us in the prepaid envelope by **October 12, 2008**.

1. Employer Information

FEIN: _____

Company: _____

Address: _____

City: _____

State: Oklahoma _____

ZIP: _____

Email: _____

2. Employer Contribution

1. How much was spent by the business on health insurance coverage for employees on the most recently filed tax return?

\$ _____

2. What year was the tax return filed?

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3. Impact

1. How many employees and spouses were previously covered by your employer sponsored insurance before enrolling in O-EPIC? (If employer sponsored insurance was not offered to your employees before O-EPIC please put zero for both employee and spouse.)

Employees _____ Spouses _____

2. How many employees and spouses are currently covered by your employer sponsored insurance? (Please include all covered employees and spouses, those using an O-EPIC subsidy and those without an O-EPIC subsidy.)

Employees _____ Spouses _____

4. Thank you

Please complete the survey and return in the prepaid envelope enclosed by **October 12, 2008**.

Thank you for your participation in O-EPIC.

Appendix B

1. Initial survey (Appendix A) designed and mailed out by Insure Oklahoma staff:
 - 920** surveys electronically administered via e-mail on 09/27/2007
 - 215** surveys administered paper-copy via mail on 09/27/2007
 - 1135** total surveys administered to participating employers
2. E-mail surveys entered into “Survey Monkey” database directly by employers. Mail surveys sent back to Insure Oklahoma and entered manually by staff.
3. All surveys cross-referenced with “Survey Monkey” database and “Insure Oklahoma Excel” database for tracking and documentation. All paper-copy surveys kept for audit purposes.
4. Second attempt for unreturned surveys made by staff:
 - 110** surveys administered paper-copy via mail on 09/27/2007 (e-mail returned)
 - 1** survey administered paper-copy via mail on 09/29/2007 (e-mail returned)
 - 8** surveys administered paper-copy via mail on 10/01/2007 (e-mail returned)
 - 10** surveys administered paper-copy via mail on 10/08/2007 (e-mail returned)
 - 430** surveys electronically administered via e-mail on 10/08/2007
 - 114** surveys administered paper-copy via mail on 10/19/2007
 - 673** total surveys administered to “non-responding” participating employers
5. E-mail surveys entered into “Survey Monkey” database directly by employers. Mail surveys sent back to Insure Oklahoma and entered manually by staff.
6. All surveys cross-referenced with “Survey Monkey” database and “Insure Oklahoma Excel” database for tracking and documentation. All paper-copy surveys kept for audit purposes.

7. Third attempt for unreturned surveys made by staff:
194 surveys administered paper-copy via mail on 10/19/2007
194 total surveys administered to “non-responding” participating employers
8. Electronic “Survey Monkey” survey closed at midnight 10/20/2007.
Mail surveys sent back to Insure Oklahoma and entered manually by staff.
9. All surveys cross-referenced with “Survey Monkey” database and “Insure Oklahoma Excel” database for tracking and documentation. All paper-copy surveys kept for audit purposes.
10. Results of returned surveys evaluated; Researched MMIS for ineligible employers.
Ineligible employers found: 65 employers sent to “Inactive” (No survey required).
11. Drafted pre-report narrative results and interpretation for Insure Oklahoma director, managers, and staff to review.
12. Meetings scheduled and conducted with Insure Oklahoma director, managers, and staff to recommend further action for “non-responding” participating employers.
13. Outcome of meetings: Drafted termination letter for 177 “non-responding” participating employers. Termination letter and paper-copy employer survey mailed to 177 “non-responding” participating employers on 01/18/2008.
14. Mail surveys sent back to Insure Oklahoma and entered manually by staff.
15. All surveys cross-referenced with “Survey Monkey” database and “Insure Oklahoma Excel” database for tracking and documentation. All paper-copy surveys kept for audit purposes.
16. Results of termination letters and surveys evaluated; Researched MMIS for ineligible employers. Ineligible employers found: 56 employers sent to “Inactive” (No survey required).

17. Meetings scheduled and conducted with Insure Oklahoma director, managers, and staff to recommend further action for “non-responding” participating employers.
18. Outcome of meetings: Researched remaining “non-responding” participating employers for MMIS invoice data (Invoices received/Invoices paid).

Results of research:

36 employers had valid and complete invoice data- need employee/spouse enrollment counts

8 employers had no invoice data

21 employers had incomplete invoice data
19. Meetings scheduled and conducted with Insure Oklahoma director, managers, and staff to review invoice data research and recommend further action for “non-responding” participating employers.
20. Outcome of meetings:

36 employers with valid and complete invoice data: Implemented into survey and contacted for employee/spouse enrollment counts

8 employers with no invoice data: Sent to “Inactive” (No survey required)

21 employers with incomplete invoice data: Contacted employer to obtain all needed data
21. All invoice data cross-referenced with “Survey Monkey” database and “Insure Oklahoma Excel” database for tracking and documentation.
22. Finalized “Survey Monkey” and “Insure Oklahoma Excel” databases evaluated for final narrative results, interpretation, and impact statement.
23. Drafted final narrative results, interpretation, and impact statement for Insure Oklahoma director, managers, and staff. Finalized report delivered to OHCA directors, managers, and staff.